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REQUESTING DIRE EMERGENCY APPROPRIATIONS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REQUEST FOR DIRE EMERGENCY APPROPRIATIONS FOR FISCAL YEAR 1990 AND APPROPRIATIONS TRANSFER LANGUAGE FOR THE DEPARTMENT OF DEFENSE—MILITARY; AND LANGUAGE THAT WOULD CANCEL EGYPTIAN DEBT FOR FOREIGN MILITARY SALES, PURSUANT TO 31 U.S.C. 1107



SEPTEMBER 17, 1990.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,
Washington, September 14, 1990.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask Congress to consider dire emergency requests for fiscal year 1990 appropriations and appropriations transfer language for the Department of Defense—Military. These requests would support military activities associated with Operation Desert Shield and cover increased fuel costs. Further, I ask the Congress to consider a request for fiscal year 1990 appropriations language that would cancel Egyptian debt for foreign military sales.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely yours,

GEORGE BUSH.

Enclosures.

Estimate No. 10
101st Congress, 2nd Session



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 14, 1990

The President

The White House

Submitted for your consideration are requests for fiscal year 1990 appropriations and appropriations language for the Department of Defense (DoD) to support Operation Desert Shield and to cover increased fuel costs. A request is included for fiscal year 1990 appropriations language to cancel Egyptian debt related to foreign military sales.

Appropriations of \$1,888,463,000 in budget authority and authority to transfer \$175,037,000 from unobligated DoD fund balances are requested.

Appropriations language is requested to provide DoD explicit statutory authority to accept contributions from foreign sources under expedited procedures. This authority would enable the Secretary of Defense to accept contributions that now may only be accepted by the Treasury or GSA for transfer to DoD. This would increase DoD's flexibility in accepting and using contributions arising from Operation Desert Shield.

Appropriations language is requested to provide DoD with authority to enter into reciprocal agreements with foreign governments to provide logistics support, supplies, and services. Language is also proposed to provide free mailing privileges for U.S. military personnel stationed in the Persian Gulf area beginning in fiscal year 1991. The cost of free mailing privileges would be paid by DoD.

Appropriations language is requested to cancel \$6.7 billion in Egyptian foreign military sales debt and provide for related U.S. government financial transactions. This proposal would not affect fiscal year 1990 outlays.

We have carefully reviewed these proposals and are satisfied that they are necessary at this time. Therefore, we recommend that they be transmitted to Congress.

Respectfully yours,

Richard G. Darman
Director

Enclosures

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Military Personnel, Army

For an additional amount for "Military personnel, Army", \$115,500,000.

Military Personnel, Navy

For an additional amount for "Military personnel, Navy", \$39,900,000.

Military Personnel, Marine Corps

For an additional amount for "Military personnel, Marine Corps", \$29,300,000.

Military Personnel, Air Force

For an additional amount for "Military personnel, Air Force", \$73,400,000.

Reserve Personnel, Army

For an additional amount for "Reserve personnel, Army", \$2,700,000.

OPERATION AND MAINTENANCE

Operation and Maintenance, Army

For an additional amount for "Operation and maintenance, Army", \$643,963,000, and in addition, \$75,037,000 which shall be derived by transfer from "Procurement of Ammunition, Army, 1988/1990".

Operation and Maintenance, Navy

For an additional amount for "Operation and maintenance, Navy", \$279,400,000.

Operation and Maintenance, Marine Corps

For an additional amount for "Operation and maintenance, Marine Corps", \$47,300,000.

Operation and Maintenance, Air Force

For an additional amount for "Operation and maintenance, Air Force", \$320,300,000.

Operation and Maintenance, Defense Agencies

For an additional amount for "Operation and maintenance, Defense Agencies", \$18,200,000.

Operation and Maintenance, Air Force Reserve

For an additional amount for "Operation and maintenance, Air Force Reserve", \$12,300,000.

Operation and Maintenance, Air National Guard

For an additional amount for "Operation and maintenance, Air National Guard", \$6,200,000.

REVOLVING AND MANAGEMENT FUNDS Defense Stock Fund

For an additional amount for "Defense stock fund", \$300,000,000; and in addition, \$100,000,000 which shall be derived by transfer from the "National Defense Stockpile Transaction Fund", and which amount, otherwise required to be obligated during fiscal year 1990 by Section 3303(a) of the "National Defense Authorization Act for Fiscal Years 1990 and 1991", need not be obligated.

These proposals would provide an additional \$2.1 billion to support military activities associated with Operation Desert Shield and to cover increased fuel costs. These proposals would increase fiscal year 1990 outlays by \$1.5 billion.

GENERAL PROVISIONS -- DEPARTMENT OF DEFENSE

SEC. 9120. (a) During fiscal year 1990 and thereafter, the Secretary of Defense may accept or reject any gift of services, money, personal property, or real property, or the use thereof, from any person, foreign country, or international organization for use by the Department of Defense without specific appropriation therefor: Provided, That any gift of property may be retained and used by the Department of Defense in the form in which it was donated or it may be sold or otherwise disposed of upon such terms and conditions, and in accordance with such procedures, as the Secretary determines appropriate; or such property may be converted into a form in which it will be usable by the Department.

(b) Any gift of money, and the proceeds of any property, which are received under this section, shall be deposited in the Treasury in a trust fund, called " National Defense Gift Fund": Provided, That the Secretary of Defense, with the approval of the Office of Management and Budget, shall from time to time transfer amounts credited to such trust fund to appropriations accounts available to the Department of Defense to be merged with and to be available for the same purposes and the same time period as the appropriations to which credited: Provided further, That all funds received under this section shall not, before or after transfer from the fund, be subject to reduction under any other provision of law.

(c) Sections 1151 through 1156 of Title 50 of the United States Code are hereby repealed. Any balances in the account authorized by 50 U.S.C. 1153 shall be transferred to the National Defense Gift Fund established in subsection (b).

This appropriations language is requested to provide explicit statutory authority for the Department of Defense (DoD) to accept gifts from foreign sources under expedited procedures. This authority would enable the Secretary of Defense to accept gifts that now may be only accepted by the Treasury or GSA for transfer to DoD. This would increase DoD's flexibility in accepting and using gifts arising from Operation Desert Shield.

SEC. 9121. Beginning in fiscal year 1990 and in addition to any other authority provided by law, appropriations available to the Department of Defense may be used to enter into an agreement with any foreign government for the reciprocal provision of logistics support, supplies, and services.

This appropriations language is requested to provide authority for the DoD to enter into reciprocal agreements with foreign governments to provide logistics support, supplies, and services. This proposal would not affect outlays.

SEC. 9122. Section 3401(a) (1) (A) of title 39, United States Code is amended by striking out "or" the second time it appears in that section and (b) by inserting after "belligerent" the following new language", or temporarily deployed overseas for an operational contingency in arduous circumstances, as determined by the Secretary of Defense".

This appropriations language is requested to provide free mailing privileges for U.S. military personnel stationed in the Persian Gulf area beginning in fiscal year 1991. The cost of these privileges would be paid by DoD.

FUNDS APPROPRIATED TO THE PRESIDENT
TITLE V - GENERAL PROVISIONS

CANCELLATION OF CERTAIN DEBT

SEC. 603. Notwithstanding any other provision of law -- (a) the Secretary of Defense shall (1) issue to the Secretary of the Treasury sufficient notes or other obligations to purchase all notes made by Egypt evidencing amounts owed by Egypt to the United States (or any agency of the United States), other than amounts already owed to the Secretary of Defense, as a result of loans made before October 1, 1990, by the United States (or any agency of the United States) to Egypt under the Arms Export Control Act (all such loans being hereinafter collectively referred to as the "AECA Loans"), and (2) purchase all such notes made by Egypt, such purchase being considered in discharge of the responsibilities of the Secretary of Defense as guarantor of such notes; (b) the President shall hereupon cancel all amounts owed by Egypt to the Secretary of Defense as a result of all AECA Loans; and (c) the President shall also cancel all amounts owed by the Secretary of Defense under all notes or other obligations issued by the Secretary of Defense to the Secretary of the Treasury that are related to any guarantees of any AECA Loans, including all notes or other obligations issued under subsection (a).

This proposed language would permit the cancellation of certain debts owed by the Government of Egypt to the United States. This proposal would not affect fiscal year 1990 outlays.